

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 689 - SB 687

March 30, 2021

SUMMARY OF BILL: Requires each voting precinct that purchases a direct recording electronic voting system (DREVS) to ensure it has the capability to create a voter-verifiable paper audit trail (VVPAT) for each ballot cast.

ESTIMATED FISCAL IMPACT:

**Increase Local Expenditures – Exceeds \$1,500,000
/FY21-22 and Subsequent Years***

Assumptions:

- Based on information provided in the 2018 Tennessee Election Security report by the Tennessee Advisory Commission on Intergovernmental Relations (TACIR), there are 81 counties currently using direct recording electronic voting systems (DREVS) that are not capable of producing VVPAT.
- According to the Secretary of State Division of Elections Financial Reports for Fiscal Year 2018-2019, 13 counties have purchased or are purchasing systems capable of producing VVPAT by September 30, 2019.
- Approximately 68 counties are using DREVS that are not capable of producing VVPAT.
- The proposed language would require these 68 counties, when upgrading or replacing current voting systems to ensure the system is capable of producing VVPAT.
- Based on information within an article written in 2015 by the National Conference of State Legislatures, direct recording electronic voting systems (DREVS) costs can range from \$2,500 to \$3,000 per unit, and VVPATS may cost extra.
- To the extent a county election commission, in the absence of this legislation, would elect to purchase a DREVS capable of producing VVPAT, there will be no increase in local expenditures.
- To the extent a county election commission, in the absence of this legislation, would elect to purchase a system which was not capable of producing VVPAT and such system was less expensive than one which produces VVPAT, there will be a mandatory increase in local expenditures for any expenditure above what would have occurred in the absence of this legislation.
- All VVPATs would be required to be preserved as paper ballots.
- Costs associated with preserving the VVPAT as paper ballots will vary county to county; however, based on information provided by the Division of Elections, if all counties were required to preserve the VVPAT as paper ballots, it would result in a

recurring increase in local expenditures for paper, printing supplies, training, and audits estimated to be \$4,735,222 statewide per election cycle.

- Due to multiple unknown factors, such as which counties would not, in the absence of this legislation, elect to purchase a DREVS capable of producing VVPAT, the extent of any increase in local government expenditures as a result of purchasing VVPAT equipment, the increased local expenditures for preserving VVPAT as a paper ballot, and the timing of any increased local expenditures, a precise fiscal impact cannot be determined; however, the recurring mandatory increase in local government expenditures is reasonably estimated to exceed \$1,500,000, beginning in FY21-22.
- The proposed language requires the State Coordinator of Elections to provide financial assistance for purchasing and leasing utilizing HAVA funds, if available.
- According to the Secretary of State Election Security Grant program narrative for the HAVA Consolidated Appropriations Act of 2020, the Division of Elections has budgeted \$5,086,086 of the additional funding received to assist counties in purchasing and upgrading voting equipment.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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